

Message Text

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22

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

EB-07 FEA-01 /065 W

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P R 220845Z APR 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 3985

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY TOKYO

AMCONSUL MEDAN

AMCONSUL SURABAYA

AMEMBASSY SINGAPORE

C O N F I D E N T I A L JAKARTA 5281

EO 11652: GDS

TAGS: ENRG ID

SUBJECT: PERTAMINA SHAKE UP CONTINUES

REF: (A) JAKARTA 5023, (B) JAKARTA 5159

1. AS ANTICIPATED, MAJ. GENERAL HARYONO'S APPOINTMENT AS PERMANENT PRESIDENT-DIRECTOR OF PERTAMINA HAS BEEN FOLLOWED BY SERIES OF SWEEPING PERSONNEL AND ORGANIZATIONAL CHANGES IN PERTAMINA LESS THAN ONE WEEK AFTER HIS FORMAL INSTALLATION (REF B). DECISIONS WERE TAKEN AT SEVEN HOUR MEETING ON APRIL 19 THAT WAS JOINTLY CHAIRED BY MINESMIN SADLI AND HARYONO. ACCORDING TO ONE PARTICIPANT, HARYONO BEGAN BY TELLING STAFF THAT HE WAS NOT THERE TO PASS JUDGEMENT ON THEM. "IF YOU HAVE A PROBLEM, IT IS BETWEEN YOU, GOD, AND THE COURTS," HE SAID. HE THEN WENT ON TO RETIRE OR DISMISS OUTRIGHT NEARLY FORTY SENIOR OFFICIALS. ALL FIELD UNIT DIRECTORS AND SOME OVERSEAS REPRESENTATIVES WERE ALSO RELEIVED OF DUTIES. DIRECTORS OF P.T. PATRA JASA (PERTAMINA'S WHOLLY OWNED HOTEL AND CONSTRUCTION SUBSIDIARY) AND PELITA (AIR SERVIES) WERE BOTH SACKED.

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2. OFFICIALS RELIEVED OF DUTIES APPARENTLY FALL INTO TWO CATEGORIES: THOSE OF THE "OLD GUARD" WHO WERE INCOMPETENT AND WERE DUE FOR RETIREMENT AND B) THOSE INVOLVED IN CORRUPT, "IRREGULAR", ACTIVITIES. AMONG THOSE RELIEVED OF DUTIES ARE MARAH JOENOS, DIRECTOR OF PUBLIC RELATIONS; HADJI TAHIR, FORMERLY SPECIAL ASSISTANT TO IBNU; JOHN NIZAR, DIRECTOR OF MANAGEMENT AND INFORMATION SERVICES; IR. SIEDIONO, DEPUTY DIRECTOR IN E&P DIRECTORATE; INDRA KARTASASMITA, DEPUTY DIRECTOR FOR FOREIGN MARKETING. LATTER WAS REPORTEDLY FIRED FOR FAILURE TO EXPLAIN WHY HE HAD PERSONAL BANK ACCOUNT OF 100 MILLION RUPIAHS. TIRTO UTOMO WAS ALSO TECHNICALLY "FIRED" BUT WE UNDERSTAND HE WILL BE REAPPOINTED AS SPECIAL ASSISTANT TO WIJARSO IN MIGAS AND WILL CONTINUE IN CHARGE OF CRUDE MARKETING. FILED UNITS WILL BE REORGANIZED IN FOUR BRANCHES, RE-PLACING PRESENT SYSTEM OF SEVEN FILED UNITS. HEAD OF UNIT I, COL. HUSNI, IS MOST PROMINANT OF THOSE FIRED. PERTAMINA TOKYO REP WILL BE REPLACED. (COL. GEORGE BENSON, PERTAMINA'S WASHINGTON REP, HAS SIGNED NEW CONTRACT AND WILL CONTINUE WITH SAME DUTIES UNDER HARYONO.) ALL DIRECTORATES, DIVISIONS, OFFICES, ETC, HAVE BEEN RE-ORGANIZED AND STREAMLINED. OFFICIAL DECREE ON ALL THESE CHANGES EXPECTED SHORTLY.

3. LOCAL PRESS ERRONEOUSLY REPORTED APRIL 21 THAT PATRA JASA HAD BEEN TRANSFERRED TO P.T. HOTEL INDONESIA WHILE PELITA WAS PUT UNDER GARUDA. ON APRIL 22, STATE MINISTER SUDHARMO ISSUED STATEMENT DENYING THAT ACTUAL TRANSFERS HAD TAKEN PLACE. HE INDICATED THAT THIS WAS STILL ONLY "POLICY" AND THAT THERE HAD BEEN NO ACTUAL DECISION ON HOW TO PROCEED (REF B).

4. COMMENT: LATEST SHAKE UP IS ANOTHER ENCOURAGING SIGN THAT GOI INTENDS TO PROCEED EXPEDITIOUSLY IN RETURNING PERTAMINA TO MANAGEABLE PROPORTIONS. FEW TEARS WILL BE SHED FOR THOSE RELIEVED OF DUTIES; HANDWRITING FOR MOST OF THEM HAD BEEN ON THE WALL FOR SEVERAL MONTHS. THESE MOVES SHOULD ALSO HELP RESTORE MEASURE OF CREDITABILITY IN PERTAMINA AMONG GENERAL PUBLIC. ABOVE ALL, HARYONO'S ACTION SERVES NOTICE THAT "NEW," NEW ORDER (SUHARTO AND TECHNOCRATS) IS NOW IN CHARGE OF OIL AND GAS AFFAIRS AND THAT THINGS WILL BE DONE DIFFERENTLY NOW. END COMMENT.
NEWSOM

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